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ABSTRACT OF THE INVENTION

5 A system and method for rewarding a customer's loyalty to a retail establishment and encouraging regular customer visits by offering a progressive discount on their purchases includes a point of sale (POS) controller that determines a loyal customer's discount. The value of the discount is dependent upon the customer visiting the retail establishment on a regular basis. A customer's visits are tracked, and the customer is provided with a discount that is incremented by a pre-defined value if the customer visits at least once every pre-defined period. 10 The discount may only be incremented once in every pre-defined time period and may be negated if the customer did not visit at all during the pre-defined time period. Coupons that are representative of the discount earned by the customer may also be offered. If the coupon is redeemed within the pre-defined time period, a new coupon is issued having a higher discount value of a pre-defined value. If the coupon is redeemed after the pre-defined time period has expired, the customer receives no discount on the current purchase and is issued a new coupon at 15 a pre-defined minimum discount value.

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